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August 1, 2005

VIA ELECTRONIC FILING

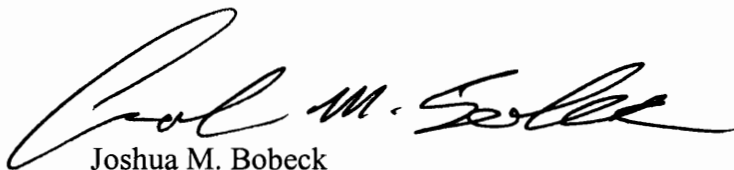
Marlene R. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Ex Parte, Notice CC Docket No. 02-33

Dear Ms. Dortch:

Pursuant to the Commission's ex parte rules, this letter provides notice that on July 29, 2005 Robert M. Keane, President and Chief Operating Officer, and Martin W. Clift, Vice President Regulatory of Cavalier Telephone, LLC, and the undersigned, met with Russ Hanser, Legal Advisor to Commissioner Abernathy, to discuss issues pending in this proceeding. Cavalier provided its views in the attached presentation.

Sincerely,



Joshua M. Bobeck

Counsel for Cavalier Telephone, LLC

Enclosure

cc: R. Hanser
M. Clift



FCC Ex-Parte

Docket 02-33

July 29, 2005

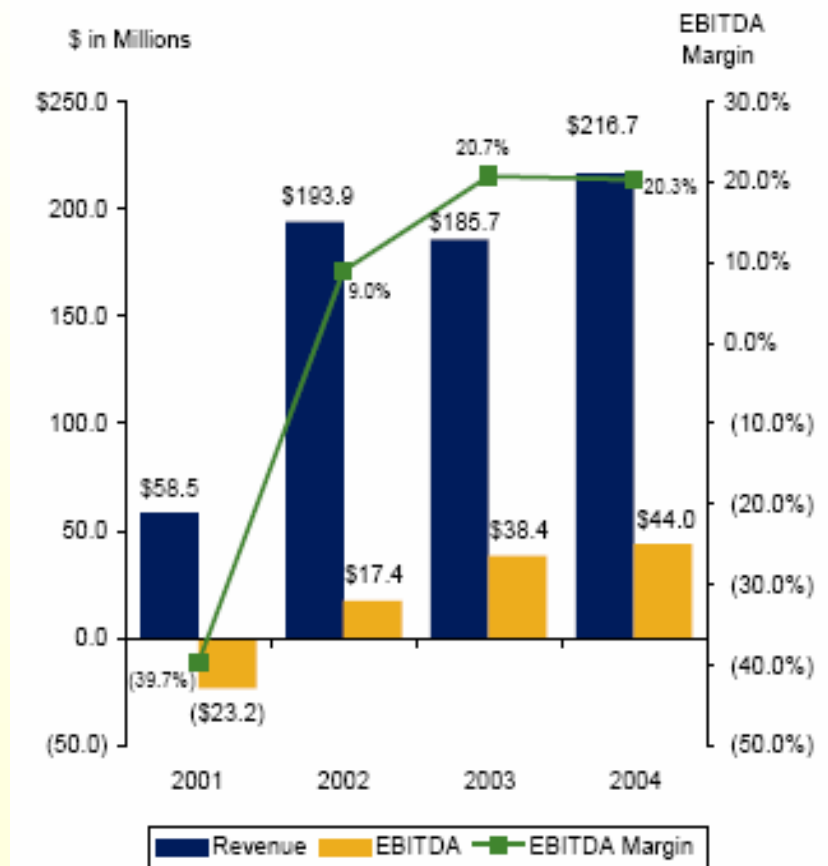
Company Overview

Full Service Communications Provider in the Mid-Atlantic U.S.

Business Overview

- Headquartered in Richmond, Virginia
- First Customers in July 1999
- Full service Telephone Company
 - Business and residential customers
 - Lead with dial tone and internet services (DSL)
- Own facilities-based network
 - Fiber to all COs in market
 - Voice and data switches
 - 99%+ of access lines are on-network
- Regional Focus – Mid-Atlantic U.S. footprint
- Today
 - 1,100 employees
 - \$260 million revenue run rate
 - EBITDA, Net Income, and Free Cash flow positive
- Pending acquisition – Elantic
- Future opportunity - IPTV

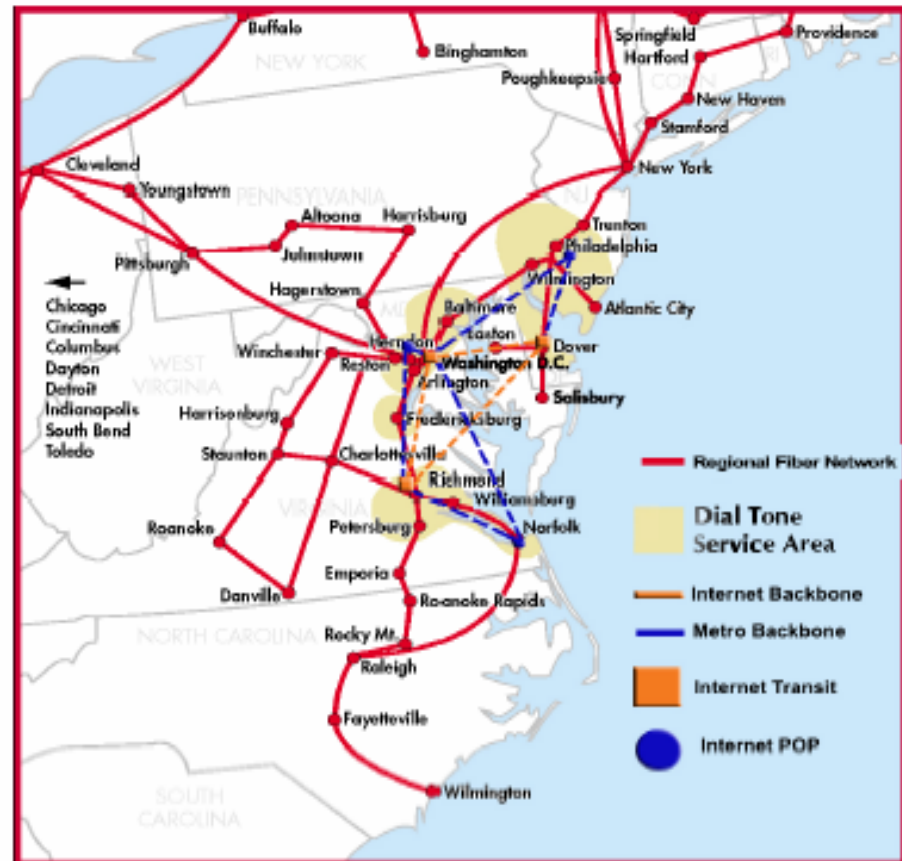
Strong Financial Performance



Company Overview

Current Network is Highly Scalable

- Owned-Facilities-Intensive Network
- Network designed and deployed to scale with growth in customer demand
- Eight switching centers
- 3,000+ miles of metro and long-haul fibers; 6,500+ lit miles at Elantic
- Collocated with 215 COs, 25 IXC tandems and 23 carrier POPs
- Over \$170 million invested in network since inception
- \$1.7B in network assets under Mgt



Residential Services Overview

- Serving customers from NJ to VA (5M households)
 - Major Markets include; Southern New Jersey, Delaware, Pennsylvania, Maryland (DC Beltway), Northern Virginia, Baltimore, Richmond and Tidewater
 - 25K residential DSL customers; 180K voice customers
 - 20% DSL take rate for all new acquisitions
 - Adding 14K new voice and 2K new DSL customers per month



Phone & Internet Packages

Part of the Cavalier difference is the long list of **standard calling features**. You get...

- Anonymous Call Rejection (*77) ■ Call Blocking (*60) ■ Call Forwarding (*72) ■ Caller ID
- Call Waiting ■ Last Call Connect (*69) ■ MyCavTel Bill Viewer ■ Remote Call Forwarding
- Repeat Dialing (*66) ■ Speed Dialing (*74) ■ Three Way Calling ■ Voice Mail



| PACKAGE | Unlimited Local Calls | 5¢ / minute Long Distance No monthly fee! | Unlimited Long Distance | 56K Dial-Up | CavVelocity DSL | 2nd Line (no features) | MONTHLY PRICE |
|--------------------------------|-----------------------|--|-------------------------|-------------|-----------------|---------------------------|---------------------|
| Flex Basic | ✓ | ✓ | | | | | \$24. ⁹⁵ |
| Flex Dial-Up | ✓ | ✓ | | ✓ | | | \$34. ⁹⁵ |
| Flex 2-Line Dial-Up | ✓ | ✓ | | ✓ | | ✓ | \$44. ⁹⁵ |
| Flex with CavVelocity DSL | ✓ | ✓ | | | ✓ | | \$49. ⁹⁵ |
| Unlimited Basic | ✓ | | ✓ | | | | \$44. ⁹⁵ |
| Unlimited Dial-Up | ✓ | | ✓ | ✓ | | | \$54. ⁹⁵ |
| Unlimited 2-Line Dial-Up | ✓ | | ✓ | ✓ | | ✓ | \$64. ⁹⁵ |
| Unlimited with CavVelocity DSL | ✓ | | ✓ | | ✓ | | \$69. ⁹⁵ |

DSL Product Portfolio

| Technology | Product | Operation |
|------------|----------------------------|--|
| ADSL/2+ | CavVelocity Flex Internet | Allows for high-speed data services that support bandwidth intensive applications (VoIP, IPTV, Gaming) |
| Reach/MVL | CavVelocity Flex-Extended | Enables high-speed data service delivery at extended distances |
| G.SHDSL | CavVelocity T-Alternatives | Offers higher-speed symmetrical bandwidth alternatives to traditional, high cost T1 services |
| HDSL | Access Alternative | Enables Cavalier to provide T1 performance over a POTS loop |

All of these services enable Cavalier to compete with the LEC and cable providers by providing business and residential customers cutting edge technology, better performance, lower costs, and more service provider choices

Business Services Overview

- Provides integrated voice and data services to over 32,000 enterprise and carrier customers in the Mid-Atlantic with a focus on small to medium enterprises.
- Average business customers utilizes 5-6 lines
 - Pricing is generally 20% - 30% below Verizon
 - 40% data services take rate
 - 5,700 business DSL customers

Product Offering By Market

[illegible]

Cavalier Lines In Service

| Market | Business Lines | Residential Lines | Total | |
|-----------------------|----------------|-------------------|----------------|--|
| New Jersey | 5,149 | 4,568 | 9,717 | |
| Delaware | 22,391 | 13,305 | 35,696 | |
| Richmond | 29,293 | 34,187 | 63,480 | |
| Tidewater | 18,054 | 26,491 | 44,545 | |
| Pennsylvania | 20,712 | 42,270 | 62,982 | |
| Maryland (DC Beltway) | 18,403 | 12,679 | 31,082 | |
| Baltimore | 17,241 | 29,321 | 46,562 | |
| Northern Virginia | 27,957 | 9,103 | 37,060 | |
| | | | | |
| Total | 159,200 | 171,924 | 331,124 | |

Cavalier IPTV Initiative



- Will use standard conditioned loops
- Construction, Testing, and Planning underway to launch across all markets

Classification of ILEC Broadband Internet as an “Information Service”

- The Commission Should Make Clear that any Classification of the ILECs’ Bundled Retail Services Would Not Have an Unintended Impact on CLEC Eligibility to Obtain UNE Loops

Cavalier Concerns

- Cavalier should be free to continue offering DSL services as a common carrier Telecommunications Service under Title II
- The Commission's unbundling decisions found that CLECs should have access to all DS0s and most DS1s to provide services, including broadband services, to consumers. This critical policy could accidentally be undermined if a Wireline Broadband order does not clearly indicate an intent not to alter CLEC rights under Section 251.

FCC Action

- To avoid market uncertainty and disputes, the Commission should clarify that:
 - An ILEC continues to be treated as an ILEC under the Act even when it provides Title I Information Services. *WorldCom v. FCC*, DC Cir., 2001
 - Definition of “Network Element” is not effected because ILEC’s use of loop is not determinative; CLECs can use loop to provide a telecommunications service, TRO ¶ 60
 - CLECs may continue to offer wholesale and retail broadband service as Title II Telecommunications service